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AR3 advances Koppamurra with pilot-scale processing at ANSTO's new facility

Highlights:

- **Strategic First-Mover Advantage:** AR3 to be the first industry partner to access ANSTO's new pilot-scale rare earth processing facility, not only saving time and money in advancing the Koppamurra Project but also positioning the Company at the forefront of Australia's emerging group of ionic clay-hosted rare earths producers.
- **Accelerating Commercial Pathway:** Pilot-scale operations to process ~25 tonnes of Koppamurra ore producing ~35kg of Mixed Rare Earth Carbonate (MREC) — a key step toward scaling operations and future production.
- **Government-Backed Funding:** Pilot program co-funded under AR3's \$5 million Australian Government grant from the International Partnerships in Critical Minerals Program.
- **De-Risking Project Development:** Enables validation of Koppamurra's full process flowsheet, real-time process optimisation, and generation of engineering data critical for feasibility and design.
- **Offtake Readiness:** Production of MREC samples for testing and qualification by potential offtake and strategic partners, supporting Koppamurra's transition to binding commercial agreements.
- **Strengthening Australia's Sovereign Capability:** Collaboration with ANSTO advances a domestic rare earth supply chain aligned with the Future Made in Australia initiative and the Australian Critical Minerals Strategy.
- **Clear Development Timeline:** Koppamurra Pre-Feasibility Study on track, with pilot operations scheduled for Q2 2026 and commencement of Definitive Feasibility Study to follow later in 2026.
- Engage with this announcement at the AR3 [investor hub](#).

AR3 Managing Director and CEO, Travis Beinke, said:

"We are delighted and honoured to be the first industry collaborator to access ANSTO's new world-class pilot-scale rare earth processing facility in Sydney. This partnership deepens our long-standing commercial research collaboration with ANSTO and will fast-track Koppamurra's transition from laboratory to pilot-scale operations.

Our rapid progress is in no small part due to the foresight of the Australian Government in recognising that Koppamurra could be in the vanguard of new heavy rare earths supply options for the global supply chain through the International Partnerships in Critical Minerals program twelve months ago, well ahead of China's imposition of rare earth export controls on Dysprosium and Terbium.

By leveraging ANSTO's niche expertise and advanced infrastructure, AR3 is building sovereign rare earth capability – a cornerstone in Australia's ambitions to develop secure and sustainable magnet rare earth supply chains for renewable energy, electric mobility, and defence applications.

This initiative directly supports the Future Made in Australia framework and advances the Australian Government’s Critical Minerals Strategy, with clear alignment to national economic and strategic priorities.”

ANSTO CEO, Shaun Jenkinson commented:

“ANSTO is looking forward to deploying its new pilot facilities in support of the Koppamurra project; a textbook example of undertaking applied research and development that will increase national economic resilience. ANSTO’s bespoke rare earth processing capabilities, supported by the Australian Critical Minerals R&D Hub, a collaboration with Geoscience Australia and CSIRO, will allow us to accelerate the development of Australia’s rare earth resources in the emerging cohort of ionic clay and clay hosted rare earth projects.”

Australian Rare Earths Limited (ASX: AR3) (“AR3” or “the Company”) is pleased to announce that it will be the first industry partner to use the Australian Nuclear Science and Technology Organisation’s (ANSTO’s) new continuous pilot-scale rare earth processing facility, currently under construction and scheduled to commence operations in Q2 2026.

This collaboration represents a major strategic milestone for AR3, positioning the Company to accelerate development of its flagship Koppamurra Ionic-Clay Rare Earth Project and advance towards commercial-scale production.

By using ANSTO’s new facility it negates the need for the Company to construct its own pilot plant, reducing risk and saving the Company both time and money in Koppamurra’s development journey.

Pilot Plant Overview

ANSTO’s new facility provides pilot-scale capability that will enable AR3 to bridge the gap between laboratory testing and full-scale operations — a key step in de-risking project execution and validating process scalability.

Once commissioned, the facility will process approximately 25 tonnes of Koppamurra ore generating around 35 kilograms of Mixed Rare Earth Carbonate (MREC) for downstream testing and potential offtake engagement.

Importantly, the pilot plant program is co-funded through the AR3’s \$5 million grant from the Australian Government’s International Partnerships in Critical Minerals Program, reinforcing national support for domestic rare earth supply chain development and international collaboration.

Pilot Plant Objectives

The pilot-scale campaign will deliver critical technical and commercial outcomes:

- **Improve operational certainty:** Provide the technical data necessary to finalise and validate the full Koppamurra process flowsheet, ensuring strong confidence in design, performance and scalability.
- **Optimise operating parameters in real time:** Enable real-time process optimisation to validate reagent efficiency, input requirements, operating costs and overall system performance.
- **Produce MREC samples for offtake negotiations:** Generate approximately 35 kg of MREC for marketing to potential offtake partners, supporting AR3’s strategy to progress binding commercial arrangements for future production.

- **Validate AR3's flowsheet at pilot scale:** Operate a continuous pilot-scale plant to test AR3's full flowsheet — from heap leaching through to MREC production — in an integrated system.
- **Support engineering and commercialisation studies:** Generate key engineering datasets — including water balance, reagent consumption and residue characteristics — for incorporation into feasibility studies and commercial design.

Next Steps

- **Pre-Feasibility Study (PFS)** for Koppamurra remains on track for completion ahead of **pilot plant commissioning**.
- Results from pilot-scale operations will directly inform the **Definitive Feasibility Study (DFS)**, anticipated to commence in **late 2026**.
- AR3 will continue to work closely with ANSTO through construction and commissioning, updating shareholders as key milestones are achieved.

The pilot plant campaign represents a **transformational step toward commercialisation**, generating the data, product samples, and confidence necessary to **secure potential offtake agreements and underpin full-scale project financing**.

The announcement has been authorised for release by the Board of Australian Rare Earths Limited.

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Engage and Contribute at the AR3 investor hub: <https://investorhub.ar3.com.au>

Competent Person's Statement

The information in this report that relates to metallurgical results is based on information compiled by Australian Rare Earths Limited and reviewed by James Davidson who is the principal Metallurgist of Rendement and is a Fellow of the AusIMM. Mr Davidson has sufficient experience that is relevant to the metallurgical testing which was undertaken to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Davidson consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

About Australian Rare Earths Limited

Australian Rare Earths (AR3) is an emerging diversified critical minerals company, strategically positioned to meet the growing global demand for uranium and rare earth elements:

- AR3's Koppamurra Rare Earths Project in South Australia and Victoria is a significant deposit of light and heavy rare earths, which has secured important Australian government support through a \$5 million grant to accelerate development. With support from global advanced industrial materials manufacturer, Neo Performance Materials, AR3 is progressing toward a Pre-Feasibility Study and a demonstration facility, solidifying its role in diversifying global rare earth supply chains for the clean energy transition.
- AR3's large ~8,000 km² Overland Uranium Project in South Australia shows strong uranium discovery potential, with initial drilling identifying opportunities for substantial near-surface and deeper deposits.

With strategic projects and strong government support, AR3 is poised for significant growth in the critical minerals market.